

# RENO DE MEDICI OUTPERFORM

Price (Eu): **0.81**  
 Target Price (Eu): **1.00**

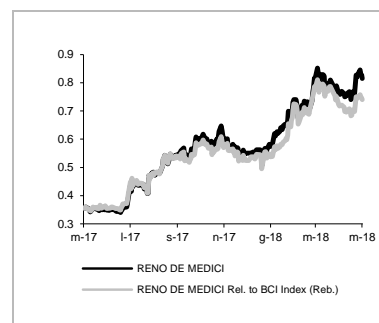
SECTOR: *Industrials*

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## Very Strong Start To The Year, Outlook Remains Supportive

- Strong YoY growth.** Turnover was Eu157.6mn, up 5.5% YoY as a result of broadly stable volumes YoY, higher average sales prices in both sectors and the consolidation of PAC Service, where revenues were Eu5.6mn before the intragroup offset. EBITDA reached Eu18.1mn, almost double the Eu9.1mn posted in 1Q17, thanks to 1) increased revenues from higher average sales prices, 2) lower pulp cost in WLC and 3) greater production efficiency. Net profit was Eu12.8mn, discounting the Eu3.2mn positive impact from the valuation at fair value of the previously existing investment in PAC Service (33.33%). Net debt was slightly lower QoQ at Eu41.5mn, as operating cash generation of Eu7.9mn in 1Q was partly absorbed by the settlement of an investment made in previous years (Eu2.3mn) and the consolidation of the PAC Service debt (circa Eu3mn). According to management, the outlook remains positive in both sectors in which the group operates, with demand indicated to remain healthy despite signs of slowing down.
- Waste paper costs to remain low, for 2Q at least.** With regard to the main input costs, waste paper prices should remain at the current low levels, at least for 2Q, given that there appear to be no significant changes in the restrictions applied by the Chinese government on waste paper imports. Looking further into the future, price trends remain rather uncertain, although a rise can be expected in the medium-long term, with the first signs becoming apparent in higher-grade materials. Regarding virgin fibres, the imbalance between supply and demand, and the consequent upward trend in prices, should continue for most of 2018. In order to counteract the price increase in virgin fibres at the end of 2017 the company announced an increase in the price of FBB products. The first impact was already seen in 1Q18, and should be fully in place in 2Q. Finally, we would expect moderate growth in energy costs, even though not with an immediate effect, given the already stipulated supply contracts.
- Factoring lower input costs into our estimates.** While we have left our top line forecast broadly unchanged, we are now incorporating the aforementioned raw materials scenario into our estimates, allowing us to increase our profitability assumptions substantially. Overall, we are lifting our EBITDA forecast by 15.1% in 2018 and 11.0% in 2019, which translates into 28.9% and 19.8% increases in EPS in 2018 and 2019 respectively. If the scenario remains supportive in the coming months, there is further room for upgrades.
- OUTPERFORM reiterated; target lifted to Eu1.00.** After a strong 2017, the company got off on the right foot in 2018, thanks to a favourable costs environment that comes on top of the renewed focus on production efficiency, supply chain integration, and an improved revenue mix. Moreover, an ungeared balance sheet provides leeway for additional, value-accretive M&A. Our valuation, the simple average of an EV/ROACE model and a peer comparison, yields a target price of Eu1.00 per share, from Eu0.85 previously, as we factor in the new higher estimates. We believe that if the measures adopted by management continue to prove effective and shrink the performance gap to Mayr Melnhof further, the stock re-rating may well continue.

### RENO DE MEDICI - 12m Performance



**RATING: Unchanged**

**TARGET PRICE (Eu): from 0.85 to 1.00**

| Change in EPS est: | 2018E | 2019E |
|--------------------|-------|-------|
|                    | 28.9% | 19.8% |

#### STOCK DATA

Reuters code: RDM.MI  
 Bloomberg code: RM IM

| Performance    | 1m        | 3m    | 12m    |
|----------------|-----------|-------|--------|
| Absolute       | 7.1%      | 10.1% | 128.3% |
| Relative       | 3.2%      | 2.2%  | 118.3% |
| 12 months H/L: | 0.85/0.34 |       |        |

#### SHAREHOLDER DATA

|                           |       |
|---------------------------|-------|
| No. of Ord. shares (mn):  | 378   |
| Total No. of shares (mn): | 378   |
| Mkt Cap Ord (Eu mn):      | 308   |
| Total Mkt Cap (Eu mn):    | 308   |
| Mkt Float - ord (Eu mn):  | 96    |
| Mkt Float (in %):         | 31.2% |
| Main shareholder:         |       |
| Cascades                  | 57.6% |

#### BALANCE SHEET DATA

|                                 | 2018 |
|---------------------------------|------|
| Book value (Eu mn):             | 195  |
| BVPS (Eu):                      | 0.52 |
| P/BV:                           | 1.6  |
| Net Financial Position (Eu mn): | -26  |
| Enterprise value (Eu mn):       | 329  |

Please see important disclaimer on the last page of this report

| Key Figures        | 2016A | 2017A | 2018E | 2019E | 2020E |
|--------------------|-------|-------|-------|-------|-------|
| Sales (Eu mn)      | 478   | 569   | 607   | 619   | 631   |
| Ebitda (Eu mn)     | 30    | 46    | 60    | 62    | 63    |
| Net profit (Eu mn) | 3     | 15    | 25    | 26    | 27    |
| EPS - New (Eu)     | 0.008 | 0.039 | 0.067 | 0.070 | 0.072 |
| EPS - Old (Eu)     | 0.008 | 0.039 | 0.052 | 0.058 |       |
| DPS (Eu)           | 0.003 | 0.003 | 0.007 | 0.007 | 0.007 |

| Ratios & Multiples | 2016A | 2017A | 2018E | 2019E | 2020E |
|--------------------|-------|-------|-------|-------|-------|
| P/E                | 98.2  | 21.1  | 12.2  | 11.7  | 11.3  |
| Div. Yield         | 0.3%  | 0.4%  | 0.8%  | 0.9%  | 0.9%  |
| EV/Ebitda          | 11.5  | 7.6   | 5.4   | 5.0   | 4.6   |
| ROCE               | 4.4%  | 11.4% | 17.5% | 17.6% | 17.4% |

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**RENO DE MEDICI - KEY FIGURES**

|                                  |                                      | 2016A      | 2017A      | 2018E      | 2019E      | 2020E      |
|----------------------------------|--------------------------------------|------------|------------|------------|------------|------------|
|                                  | Fiscal year end                      | 31/12/2016 | 31/12/2017 | 31/12/2018 | 31/12/2019 | 31/12/2020 |
| <b>PROFIT &amp; LOSS (Eu mn)</b> | Sales                                | 478        | 569        | 607        | 619        | 631        |
|                                  | EBITDA                               | 30         | 46         | 60         | 62         | 63         |
|                                  | EBIT                                 | 9          | 23         | 38         | 39         | 40         |
|                                  | Financial income (charges)           | (3)        | (3)        | (2)        | (2)        | (2)        |
|                                  | Associates & Others                  | 1          | (0)        | (0)        | (0)        | 0          |
|                                  | Pre-tax profit (Loss)                | 6          | 21         | 35         | 37         | 38         |
|                                  | Taxes                                | (3)        | (6)        | (10)       | (11)       | (11)       |
|                                  | Tax rate (%)                         | -47.3%     | -29.1%     | -28.9%     | -28.9%     | -29.0%     |
|                                  | Minorities & discontinue activities  | 0          | 0          | 0          | 0          | 0          |
|                                  | Net profit                           | 3          | 15         | 25         | 26         | 27         |
|                                  | Total extraordinary items            | 0          | 0          | 0          | 0          | 0          |
|                                  | Ebitda excl. extraordinary items     | 30         | 46         | 60         | 62         | 63         |
|                                  | Ebit excl. extraordinary items       | 9          | 23         | 38         | 39         | 40         |
| Net profit restated              | 3                                    | 15         | 25         | 26         | 27         |            |
| <b>PER SHARE DATA (Eu)</b>       | Total shares out (mn) - average fd   | 378        | 378        | 378        | 378        | 378        |
|                                  | EPS stated fd                        | 0.008      | 0.039      | 0.067      | 0.070      | 0.072      |
|                                  | EPS restated fd                      | 0.008      | 0.039      | 0.067      | 0.070      | 0.072      |
|                                  | BVPS fd                              | 0.411      | 0.446      | 0.515      | 0.588      | 0.667      |
|                                  | Dividend per share (ord)             | 0.003      | 0.003      | 0.007      | 0.007      | 0.007      |
|                                  | Dividend per share (sav)             | 0.025      | 0.025      | 0.025      | 0.025      | 0.025      |
|                                  | Dividend pay out ratio (%)           |            |            |            |            |            |
| <b>CASH FLOW (Eu mn)</b>         | Gross cash flow                      | 25         | 37         | 48         | 49         | 50         |
|                                  | Change in NWC                        | 1          | (4)        | (5)        | (2)        | (2)        |
|                                  | Capital expenditure                  | (18)       | (21)       | (22)       | (23)       | (23)       |
|                                  | Other cash items                     | 13         | (0)        | (0)        | (0)        | (0)        |
|                                  | Free cash flow (FCF)                 | 21         | 12         | 20         | 23         | 24         |
|                                  | Acquisitions, divestments & others   | (13)       | (10)       | 0          | 0          | 0          |
|                                  | Dividend                             | (2)        | (1)        | (1)        | (3)        | (3)        |
|                                  | Equity financing/Buy-back            | 0          | 0          | 0          | 0          | 0          |
| Change in Net Financial Position | 6                                    | 0          | 18         | 21         | 21         |            |
| <b>BALANCE SHEET (Eu mn)</b>     | Total fixed assets                   | 206        | 206        | 212        | 216        | 221        |
|                                  | Net working capital                  | 46         | 49         | 54         | 57         | 59         |
|                                  | Long term liabilities                | (52)       | (42)       | (46)       | (46)       | (45)       |
|                                  | Net capital employed                 | 200        | 213        | 220        | 227        | 236        |
|                                  | Net financial position               | (44)       | (44)       | (26)       | (5)        | 16         |
|                                  | Group equity                         | 155        | 168        | 195        | 222        | 252        |
|                                  | Minorities                           | 0          | 0          | 0          | 0          | 0          |
| Net equity                       | 155                                  | 168        | 195        | 222        | 252        |            |
| <b>ENTERPRISE VALUE (Eu mn)</b>  | Average mkt cap - current            | 308        | 308        | 308        | 308        | 308        |
|                                  | Adjustments (associate & minorities) | 3          | 5          | 5          | 5          | 5          |
|                                  | Net financial position               | (44)       | (44)       | (26)       | (5)        | 16         |
|                                  | Enterprise value                     | 350        | 347        | 329        | 308        | 287        |
| <b>RATIOS(%)</b>                 | EBITDA margin*                       | 6.4%       | 8.1%       | 10.0%      | 10.0%      | 10.0%      |
|                                  | EBIT margin*                         | 1.8%       | 4.1%       | 6.2%       | 6.4%       | 6.4%       |
|                                  | Gearing - Debt/equity                | 28.6%      | 26.2%      | 13.1%      | 2.2%       | -6.5%      |
|                                  | Interest cover on EBIT               | 2.7        | 9.3        | 15.8       | 18.7       | 22.4       |
|                                  | Debt/Ebitda                          | 1.46       | 0.96       | 0.42       | 0.08       | nm         |
|                                  | ROCE*                                | 4.4%       | 11.4%      | 17.5%      | 17.6%      | 17.4%      |
|                                  | ROE*                                 | 2.0%       | 9.0%       | 13.8%      | 12.7%      | 11.5%      |
|                                  | EV/CE                                | 1.7        | 1.7        | 1.5        | 1.4        | 1.2        |
|                                  | EV/Sales                             | 0.7        | 0.6        | 0.5        | 0.5        | 0.5        |
|                                  | EV/Ebit                              | 40.0       | 14.8       | 8.7        | 7.8        | 7.1        |
| Free Cash Flow Yield             | 6.8%                                 | 3.9%       | 6.5%       | 7.7%       | 7.8%       |            |
| <b>GROWTH RATES (%)</b>          | Sales                                | 9.0%       | 19.1%      | 6.6%       | 1.9%       | 1.9%       |
|                                  | EBITDA*                              | -27.2%     | 50.5%      | 31.9%      | 2.4%       | 1.5%       |
|                                  | EBIT*                                | -49.2%     | 168.2%     | 61.4%      | 3.8%       | 2.3%       |
|                                  | Net profit                           | -68.0%     | 364.8%     | 72.5%      | 4.9%       | 3.6%       |
|                                  | EPS restated                         | -68.0%     | 364.8%     | 72.5%      | 4.9%       | 3.6%       |

\* Excluding extraordinary items

Source: Intermonte SIM estimates

## Reno De Medici – 1Q results

| (Eu mn)                   | 1Q17A         | 1Q18A         | YoY           | 1Q18E         | A vs E       |
|---------------------------|---------------|---------------|---------------|---------------|--------------|
| <b>Revenues</b>           | <b>149.5</b>  | <b>157.6</b>  | <b>5.5%</b>   | <b>158.8</b>  | <b>-0.7%</b> |
| Other Revenues            | 1.5           | 1.6           |               | 1.5           |              |
| Δ Finished Goods          | (7.1)         | (4.7)         |               | (4.3)         |              |
| COGS                      | (110.5)       | (113.1)       |               | (113.3)       |              |
| % on sales                | -73.9%        | -71.8%        |               | -71.3%        |              |
| Personnel Costs           | (23.2)        | (22.3)        |               | (23.5)        |              |
| % on sales                | -15.5%        | -14.2%        |               | -14.8%        |              |
| Other Operating Costs     | (1.0)         | (1.0)         |               | (1.0)         |              |
| % on sales                | -0.7%         | -0.6%         |               | -0.7%         |              |
| <b>EBITDA</b>             | <b>9.1</b>    | <b>18.1</b>   | <b>98.6%</b>  | <b>18.2</b>   | <b>-0.3%</b> |
| % on sales                | 6.1%          | 11.5%         |               | 11.5%         |              |
| Depreciations             | (5.5)         | (5.4)         |               | (5.5)         |              |
| Write offs                | 0.0           | 0.0           |               | 0.0           |              |
| <b>EBIT</b>               | <b>3.6</b>    | <b>12.8</b>   | <b>253.5%</b> | <b>12.7</b>   | <b>0.6%</b>  |
| % on sales                | 2.4%          | 8.1%          |               | 8.0%          |              |
| Financials and associates | (0.3)         | 2.5           |               | (0.3)         |              |
| <b>Pre Tax Profit</b>     | <b>3.3</b>    | <b>15.2</b>   |               | <b>12.4</b>   |              |
| Taxes                     | (0.8)         | (2.4)         |               | (3.0)         |              |
| Discontinued              | 0.0           | 0.0           |               | 0.0           |              |
| Minorities                | 0.0           | 0.0           |               | 0.0           |              |
| <b>Group Net Profit</b>   | <b>2.5</b>    | <b>12.8</b>   | <b>414.6%</b> | <b>9.4</b>    | <b>36.3%</b> |
| <b>Net Debt</b>           | <b>(42.7)</b> | <b>(41.5)</b> | <b>-3%</b>    | <b>(41.5)</b> | <b>0.0%</b>  |

Source: Intermonte SIM estimates

## Reno De Medici – Change in estimates

|                                   | 2018E         | 2019E        | 2020E       |
|-----------------------------------|---------------|--------------|-------------|
| <b>Revenues new</b>               | <b>607</b>    | <b>619</b>   | <b>631</b>  |
| Revenues old                      | 607           | 626          | new         |
| <b>EBITDA new</b>                 | <b>60.4</b>   | <b>61.9</b>  | <b>62.8</b> |
| EBITDA old                        | 52.5          | 55.7         | new         |
| <b>EBIT new</b>                   | <b>37.9</b>   | <b>39.3</b>  | <b>40.3</b> |
| EBIT old                          | 30.0          | 33.0         | new         |
| <b>Net Profit new</b>             | <b>25.1</b>   | <b>26.4</b>  | <b>27.3</b> |
| Net Profit old                    | 19.5          | 22.0         | new         |
| <b>Net Financial Position new</b> | <b>(25.6)</b> | <b>(4.8)</b> | <b>16.3</b> |
| Net Financial Position old        | (28.5)        | (11.5)       | new         |

Source: Intermonte SIM estimates

**Peer Group - Absolute Performances**

| Stock                   | Price       | Ccy        | Mkt cap    | 1M          | 3M           | 6M           | YTD          | 1Y            | 2Y            |
|-------------------------|-------------|------------|------------|-------------|--------------|--------------|--------------|---------------|---------------|
| <b>RENO DE MEDICI</b>   | <b>0.82</b> | <b>EUR</b> | <b>308</b> | <b>7.1%</b> | <b>10.1%</b> | <b>35.4%</b> | <b>61.2%</b> | <b>128.3%</b> | <b>145.6%</b> |
| HOLMEN                  | 212.00      | SEK        | 35,614     | -7.1%       | 6.1%         | 4.6%         | -2.8%        | 7.3%          | 56.5%         |
| MAYR-MELNHOF            | 124.40      | EUR        | 2,488      | -2.5%       | 1.5%         | -0.5%        | 1.6%         | 10.1%         | 19.1%         |
| METSA                   | 9.54        | EUR        | 3,390      | 10.3%       | 37.0%        | 44.0%        | 33.4%        | 39.8%         | 97.3%         |
| STORA ENSO              | 16.75       | EUR        | 13,209     | 9.4%        | 30.4%        | 25.8%        | 26.7%        | 47.2%         | 131.2%        |
| UPM KYMMENE             | ---         | EUR        | ---        | ---         | ---          | ---          | ---          | ---           | ---           |
| <b>Mean performance</b> |             |            |            | <b>3.4%</b> | <b>17.0%</b> | <b>21.9%</b> | <b>24.0%</b> | <b>46.5%</b>  | <b>89.9%</b>  |
| <b>Italy FTSE Mib</b>   | 24,033.9    | EUR        |            | 3.7%        | 8.4%         | 6.5%         | 10.0%        | 11.5%         | 34.0%         |

Source: FactSet

**Peer Group - Multiple Comparison**

| Stock                 | Price       | Ccy        | Mkt cap    | EV/Sales   | EV/Sales   | EV/Ebitda  | EV/Ebitda  | EV/Ebit     | EV/Ebit     | P/E         | P/E         | Div Yield   | Div Yield   |
|-----------------------|-------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                       |             |            |            | 2018       | 2019       | 2018       | 2019       | 2018        | 2019        | 2018        | 2019        | 2018        | 2019        |
| <b>RENO DE MEDICI</b> | <b>0.82</b> | <b>EUR</b> | <b>308</b> | <b>0.5</b> | <b>0.5</b> | <b>5.4</b> | <b>5.0</b> | <b>8.7</b>  | <b>7.8</b>  | <b>12.2</b> | <b>11.7</b> | <b>0.8%</b> | <b>0.9%</b> |
| HOLMEN                | 212.00      | SEK        | 35,614     | 2.3        | 2.2        | 11.5       | 11.2       | 15.7        | 15.4        | 19.1        | 18.8        | 3.3%        | 3.6%        |
| MAYR-MELNHOF          | 124.40      | EUR        | 2,488      | 1.0        | 1.0        | 7.3        | 7.0        | 10.5        | 10.0        | 15.1        | 14.4        | 2.6%        | 2.7%        |
| METSA                 | 9.54        | EUR        | 3,390      | 1.8        | 1.7        | 10.2       | 9.4        | 14.1        | 12.5        | 17.5        | 15.8        | 2.8%        | 3.1%        |
| STORA ENSO            | 16.75       | EUR        | 13,209     | 1.5        | 1.4        | 8.3        | 8.2        | 11.8        | 11.6        | 14.3        | 14.5        | 3.0%        | 3.2%        |
| UPM KYMMENE           |             | EUR        |            |            |            |            |            |             |             |             |             |             |             |
| <b>Median</b>         |             |            |            | <b>1.6</b> | <b>1.6</b> | <b>9.3</b> | <b>8.8</b> | <b>12.9</b> | <b>12.0</b> | <b>16.3</b> | <b>15.1</b> | <b>2.9%</b> | <b>3.2%</b> |

Source: Intermonte SIM estimates for covered companies, FactSet consensus estimates for peer group

**DETAILS ON STOCKS RECOMMENDATION**

| Stock NAME           | RENO DE MEDICI |                       |            |
|----------------------|----------------|-----------------------|------------|
| Current Recomm:      | OUTPERFORM     | Previous Recomm:      | OUTPERFORM |
| Current Target (Eu): | 1.00           | Previous Target (Eu): | 0.85       |
| Current Price (Eu):  | 0.81           | Previous Price (Eu):  | 0.72       |
| Date of report:      | 11/05/2018     | Date of last report:  | 21/02/2018 |

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- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 2.5% and a risk premium of 5.0% are being used.

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OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period ;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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|              |         |
|--------------|---------|
| BUY:         | 14,10 % |
| OUTPERFORM:  | 43,59 % |
| NEUTRAL:     | 37,18 % |
| UNDERPERFORM | 05,13 % |
| SELL:        | 00,00 % |

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|              |         |
|--------------|---------|
| BUY:         | 14,81 % |
| OUTPERFORM:  | 50,00 % |
| NEUTRAL:     | 35,19 % |
| UNDERPERFORM | 00,00 % |
| SELL:        | 00,00 % |

**CONFLICT OF INTEREST**

In order to disclose its possible conflicts of interest Intermonte SIM states that:

- o within the last year, Intermonte managed or co-managed/is managing or is co-managing (see companies indicated in bold type) an Institutional Offering and/or managed or co-managed/is managing or is co-managing (see companies indicated in bold type) an offering with firm commitment underwriting of the securities of the following Companies: Alkemy, Banca Ifis, Banca Sistema, Cattolica Assicurazioni, Capital For Progress 2, Emak, Nova RE, Space4.
- o Intermonte is Specialist and/or Corporate Broker and/or Sponsor and/or Broker in charge of the share buy back activity of the following Companies: Abitare In, Aedes, Aquafil, Ascopiave, Avio, Azimut, B&C Speakers, Banca Ifis, Banca Sistema, Be, Cattolica Assicurazioni, Crescita/Cellular Line, Clabo, Credito Valtellinese, DeA Capital, DigiTouch, EL.En, Emak, Energy Lab, ePrice, Falck Renewables, Ferrovie Nord Milano, Gamenet, Gefran, Giglio Group, GO Internet, GPI, H-Farm, Il Sole 24 Ore, Italiaonline, IWB, LU-VE, Mondo TV, Notorius Picture, Nova RE, Openjobmetis, QF Alpha Immobiliare, QF Beta Immobiliare, Reno de Medici, Reply, Retelit, Saes Getters, Servizi Italia, Sna, Snaitech, Tamburi Investment Partners, Tesmec, Tecnoinvestimenti, TXT e-solutions, Vetrya, Vittoria Assicurazioni, Wiit, Zephyro.
- o Intermonte SIM SpA, through its Websim Division, acts as an Retail Investor Research Provider on behalf of the following companies: A2A, Aedes, Axelero, Banca Ifis, ePrice, Bomi, Cattolica Assicurazioni, Centrale del Latte, d'Amico, Dada, Digital Bros, Digital Magics, Digtouch, Electro Power System, Enertronica, Expert System, Falck Renewables, Fiera Milano, Frendy Energy, Fundstore, Gambero Rosso, Generali Assicurazioni, Go Internet, Italiaonline, Isagro, Italia Independent, IWB, La Doria, Leone Film Group, Lucisano Media Group, LVenture, MailUp, Masi Agricola, Mc-Link, Methorios, Mondo TV, MP7 Italia, Notorius, Pierrel, Piteco, PLT energia, Safe Bag, Sesa, TE Wind, Tecnoinvestimenti, TerniEnergia, TXT e-Solutions, VirgilioLab, Zephyro.
- o Intermonte has provided in the last 12 months / provides / may provide investment banking services to the following companies: Aeroporto di Bologna, Carraro, Conafi, M&C, Il Sole 24 Ore, Italiaonline, Saras.
- o Intermonte SIM SpA performs as a market maker for the following companies: Atlantia, Autogrill, Azimut Holding, Banco Popolare, BCA Monte dei Paschi di Siena, BCA POP Emilia Romagna, BCA POP Milano, CNH Industrial, Enel, Eni, Exor, Fiat Chrysler Automobiles NV, Generali, Indice FTMiB, Intesa Sanpaolo, Intesa Sanpaolo Rsp, Leonardo-Finmeccanica, Luxottica Group, Mediaset, Mediobanca, Prysman, Saipem, Snam, Stmicroelectronics, Telecom Italia, Telecom Italia Risparmio, Tenaris, Tema, Ubi Banca, Unicredit, Unipol, Unipolsai.
- o Intermonte SIM SpA is acting as placement agent in Il Sole 24 Ore's capital increase with an agreement with the company for the publication of an equity research regarding the company and the transaction. Intermonte will receive fees from the company for its activity as placement agent.

Intermonte SIM SpA holds net long or short positions in excess of 0.5% of the overall share capital in the following issuers:

| Emittente              | %    | Long/Short |
|------------------------|------|------------|
| CAPITAL FOR PROGRESS 2 | 1,06 | LONG       |
| COGEME SET SPA         | 1,6  | SHORT      |
| IKF                    | 0,57 | SHORT      |
| OLIDATA                | 0,88 | SHORT      |
| WASTE ITALIA           | 0,61 | SHORT      |

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